

SENATE BILL No. 451

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-4-12-4; IC 6-2.5-10-1.

Synopsis: Telecommunications infrastructure. Establishes the telecommunications infrastructure development account as a separate account within the industrial development grant fund. Provides that 20% of all state sales and use taxes collected on retail transactions involving telecommunications services shall be deposited in the account. Provides that money in the account must be used for the purpose of providing loans, grants, and loan guarantees to eligible entities for telecommunications infrastructure projects.

Effective: July 1, 2001.

Simpson

January 18, 2001, read first time and referred to Committee on Finance.

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First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

SENATE BILL No. 451

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-4-12-4 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2001]: **Sec. 4. (a) As used in this section, "account" means the**
4 **telecommunications infrastructure development account**
5 **established by subsection (b).**

6 **(b) The telecommunications infrastructure development account**
7 **is established as a separate account within the industrial**
8 **development grant fund for the purpose of providing funds to**
9 **eligible entities for telecommunications infrastructure projects.**

10 **(c) The account consists of amounts deposited under**
11 **IC 6-2.5-10-1(b) and any appropriations from the general**
12 **assembly.**

13 **(d) Money in the account shall be used to assist eligible entities**
14 **in the development of telecommunications infrastructure by**
15 **making any of the following:**

16 **(1) Loans to eligible entities.**

17 **(2) Grants to eligible entities.**



(3) Loan guarantees on behalf of eligible entities.

(e) The director, subject to the approval of the governor and state budget director, may direct the auditor of state to make any approved grant or loan from the account to any eligible entity.

(f) The director shall establish a written procedure for allocating money in the account to eligible entities for telecommunications infrastructure projects. The procedure established must include at least the following:

(1) An application procedure to identify projects that qualify for funding.

(2) Criteria for establishing the priority of projects.

(3) Procedures for selecting projects.

(g) To apply for a loan, grant, or loan guarantee from the account, an eligible entity must submit an application that contains at least the following information:

(1) A description of the telecommunications infrastructure for which the loan, grant, or loan guarantee is sought.

(2) An estimate of the cost of constructing or improving the telecommunications infrastructure.

(3) Any other information required by the director in accordance with the procedure established under this section.

SECTION 2. IC 6-2.5-10-1, AS AMENDED BY P.L.253-1999, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 1. (a) The department shall account for all state gross retail and use taxes that it collects.

(b) The department shall deposit twenty percent (20%) of all state gross retail and use taxes that it collects on retail transactions involving telecommunications services (as described in IC 6-2.5-4-6(a)) in the telecommunications infrastructure development account established by IC 4-4-12-4.

(c) After making the deposits required in subsection (b), the department shall deposit ~~those~~ the remaining state gross retail and use tax collections in the following manner:

(1) Forty percent (40%) of the collections shall be paid into the property tax replacement fund established under IC 6-1.1-21.

(2) Fifty-nine and three-hundredths percent (59.03%) of the collections shall be paid into the state general fund.

(3) Seventy-six hundredths of one percent (0.76%) of the collections shall be paid into the public mass transportation fund established by IC 8-23-3-8.

(4) Four hundredths of one percent (0.04%) of the collections shall be deposited into the industrial rail service fund established

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- 1 under IC 8-3-1.7-2.
- 2 (5) Seventeen hundredths of one percent (0.17%) of the
- 3 collections shall be deposited into the commuter rail service fund
- 4 established under IC 8-3-1.5-20.5.

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